

Note for Garguilo, Thomas

From: Viola, John
Date: Fri, Aug 20, 1993 8:16 AM
Subject: Basic Meet Comp
To: Garguilo, Thomas
Cc: Hanson, Terry; Webster, Ross

Tom,

As you remember I submitted a meet comp proposal for my Baltimore district in order to defense against competitive threats that placed Basic at a severe price disadvantage. You approved my request and we were granted a budget of \$42,000 along with a promo code. Before we could use any of that money, PRP came along and meet comp for Basic was suspended. Our competition however, didn't suspend their activity and we're currently getting our lunch handed to us. For example, GPC buydowns are ranging between \$1.50 to \$2.50 per carton off the new prices. Private Stock is being couponed at \$1.50 off per ctn. and 50 cents off 2 packs and RJR is buying down Monarch to meet what ever is the lowest price point in the store.

Tom, I need to react to these competitive threats in my market and I need to do it quick. My plans are to meet with my managers on Monday and to go ahead with the original budget you approved. If this doesn't meet with your approval then please give us another option. We can't wait any longer nor can we afford the time to collect the same data necessary to justify another meet comp budget. Thanks !

Regards,
John Viola

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